Dear Valued Customer:

State Fleet Management (SFM) will be implementing a new policy effective February 15, 2009 that prohibits the purchase of premium fuel in state vehicles. SFM has consulted with the manufacturers, repair shop personnel, and have conducted tests in the field that confirm premium fuel is not necessary at our altitude here in Colorado. Exceptions will only be allowed when the fuel station is out of regular unleaded or mid-grade and the driver desperately needs fuel, or using mid-grade or regular unleaded fuel causes the vehicle to operate extremely rough. Purchasing a minimum amount of premium fuel to return to base or to another gas station will be allowed. SFM may be checking with the stations to confirm if they were out of mid-grade and regular unleaded gasoline at the time of the transaction.

The rule of thumb here is; if the owner's manual indicates that premium fuel is required, the vehicle can operate on mid-grade. If the owners manual indicates that mid-grade is required, the vehicle can operate on regular unleaded. If the vehicle has an engine ping or knock under acceleration then report the problem to your immediate Supervisor and the SFM Repair Call Center at (800)-356-3846 or (303)-866-5566.

What is the penalty for purchasing premium fuel?

- 1) SFM may bill the agencies for the <u>full</u> amount of each premium fuel purchase, not the incremental price difference between fuel types.
- 2) A monthly list of vehicles that purchased premium fuel will be sent to the Fleet Coordinator for review so they can meet with individual drivers about the new policy.
- 3) If premium fuel purchases continue, the agency may continue to be billed for the full amount of the purchase, and the Executive Director will be notified.
- 4) It will be up to each agency if they want to recover the cost of premium fuel purchases from their drivers.

By eliminating the purchases of premium fuel we can save the State of Colorado tens of thousands of dollars each year, and help reduce the budget deficit with no negative effect on the performance of the vehicles.

We appreciate your cooperation.

Ron Clatterbuck, CAFM Business Operations Manager State Fleet Management